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9 **IN THE UNITED STATES BANKRUPTCY COURT**  
10 **WESTERN DISTRICT OF WASHINGTON**  
11 **AT SEATTLE**

12 **In re**

13 **CHRIS YOUNG DONG YOO and**  
14 **JIEUN SONG YOO,**

15 **Debtors**

16 **HYUN JUNG HONG,**

17 **Plaintiff,**

18 **v.**

19 **CHRIS YOUNG DONG YOO and**  
20 **JIEUN SONG YOO,**

21 **Defendants.**

**NO. 16-10191-CMA**

**ADV. NO.**

**COMPLAINT FOR DECREE OF**  
**NON-DISCHARGEABILITY**

22 Comes now Plaintiff, appearing by and through her attorney of record, William  
23 R. Spurr, and alleges as follows:  
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## PARTIES

1. Plaintiff is a former client of Chris Yoo's investment advisory firm and its various wholly controlled LLC's. She was originally a citizen of the Republic of Korea.

2. Defendant Chris Young Dong Yoo was the former control person of Summit Asset Strategies Investment Management, LLC, and several other related entities, including Summit Strategic Opportunities, LLC and Summit Stable Value Fund, LLC. Defendant Chris Young Dong Yoo is a Debtor in a Chapter 7 case pending before this Bankruptcy Court, Chapter 7 Case No. 16-10191-CMA. All acts described in this Complaint were for the benefit of Mr. Yoo's marital community.

3. Defendant Jieun Song Koo was the spouse of Defendant Chris Young Dong Yoo at all times relevant to this Complaint. On information and belief, defendant Chris Young Dong Yoo acted with the knowledge and cooperation of Defendant Jieun Song Koo, and the two of them enjoyed a lavish lifestyle together based upon the actions complained of in this Cause of Action. Defendant Jieun Song Koo is a Debtor in a Chapter 7 case pending before this Bankruptcy Court, Chapter 7 Case No. 16-10191-CMA.

## JURISDICTION AND VENUE

3. This adversary proceeding is being brought in connection with

1 the Defendant's Chapter 7 case, Case No. 16-10191-CMA7.

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3 4. This Court has jurisdiction over this matter pursuant to the  
4 provisions of 28 USC §§ 1334(b) and 157(a).

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6 5. This is a core proceeding under 28 USC 157(b)(2)(I).

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8 **11 USC Section 523(a)(2) ACTION**

9 6. Defendant Chris Young Dong Yoo was an owner and control person  
10 of the Registered Investment Advisor ("RIA") firm, Summit Asset Strategies  
11 Investment Management, LLC, a limited liability company organized under  
12 Washington law. He was not a broker-dealer representative, or affiliated with  
13 any broker-dealers that would house investment products. Mr. Yoo started his  
14 business, with others, in 2006.

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16 7. Mr. Yoo's flagship product was called the "Summit Stable Value  
17 Fund," which promised a 7% constant return. Promotional literature for the  
18 "Stable Value Fund," to the extent that it expressed a coherent investment  
19 strategy, purported to be a fund using high-risk arbitrage techniques and high-  
20 risk distressed company equity positions, which are inconsistent with  
21 traditional stable value fund holdings of high quality, diversified fixed income  
22 portfolio that are protected against interest rate volatility by contracts from  
23 banks and insurance companies.  
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1           8. To anyone who understood US investments and US investment  
2 markets, Mr. Yoo's and Summit Stable Value Fund's stated strategies were  
3 nonsensical. Furthermore, his lack of connections to a broker-dealer would  
4 have raised questions about exactly where Summit's investments were located.  
5 Which was, of course, why Mr. Yoo made a point of marketing his scheme  
6 primarily to recent Korean immigrants.

7  
8           9. Using a combination of affinity to both the Korean community and  
9 the Korean Christian community, Mr. Yoo convinced dozens of individuals  
10 who were less experienced with US markets, to invest with Summit Asset  
11 Strategies Investment Management, LLC.

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13           10. In 2013, Christopher Yoo created a fraudulent audit trail in order to  
14 convince the auditors of Summit Asset Strategies Investment Management, LLC  
15 that it had assets when, in fact, it was worth less than one-tenth of its claimed  
16 worth. This lie was done on purpose, in order to continue his fraudulent  
17 scheme.

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19           11. In reality, "Summit Stable Value Fund" existed as purely a Ponzi-  
20 type scheme where Mr. Yoo, on purpose, lied about the fund's condition in  
21 order to extract profits from it to support his lavish lifestyle.

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23           12. On September 4, 2015, the Securities and Exchange Commission  
24 charged Chris Yoo and Summit Asset Strategies Investment Management, LLC  
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1 with fraudulently inflating the values of investments in the portfolio of Summit  
2 Stable Value Fund so they could attain unearned management fees. Chris Yoo  
3 and Summit Asset Strategies Investment Management, LLC agreed to settle the  
4 fraud charges arising from Summit Stable Value Fund. Yoo and another of his  
5 advisory firms Summit Asset Strategies Wealth Management, LLC agreed to  
6 settle fraud charges related to his failure to inform clients that Summit Asset  
7 Strategies Wealth Management received significant fees when referring them to  
8 invest in the fund.

9  
10 13. According to Marshall S. Sprung, Co-Chief of the SEC Enforcement  
11 Division's Asset Management Unit, "[Chris] Yoo manipulated the value of  
12 certain fund assets to manufacture millions of dollars in illusory profits that he  
13 used to line his pockets with fees he did not truly earn. He also failed to  
14 disclose a conflict of interest involving his other firm."

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16 14. Without admitting or denying the SEC allegations, Chris Yoo and  
17 Summit Asset Strategies Investment Management agreed to pay disgorgement  
18 of \$889,301 plus prejudgment interest of \$104,632 and a penalty of \$150,000; and  
19 Summit Asset Strategies Wealth Management agreed to pay disgorgement of  
20 \$81,729.14 plus prejudgment interest of \$6,611.75 and a penalty of \$100,000.  
21 Chris Yoo also agreed to be barred from the securities industry.  
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24 15. Based on the fraudulent and misleading representations of Chris  
25 Yoo, Plaintiffs made various investments in Mr. Yoo's fraudulent investment

1 vehicles

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3 16. Defendant Chris Yoo intentionally misstated the financial viability  
4 and growth prospects of his investment vehicles, in order to lure more people  
5 to invest. The representations made by defendants Chris Yoo, both to the  
6 public and to the Plaintiff in particular, were false, misleading, and omitted  
7 important material facts; Plaintiff asserts both Defendants knew this at the time  
8 of making the representations.

9  
10 17. Defendants have been making efforts to avoid their former investors  
11 since the September, 2015 revelations about Mr. Yoo's fraud.

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13 18. Defendants used the funds from Plaintiff to support the lavish  
14 lifestyle of themselves and their family. Furthermore, Defendants have made  
15 gifts to several family members and, on information and belief, are actively  
16 attempting to hide assets.

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18 19. Christopher Yoo's actions created a debt to Plaintiff that is  
19 nondischargeable pursuant to §523(a)(2) (false pretenses, false representation)  
20 and (4) (fraud, embezzlement, larceny).

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22 20. Christopher Yoo's conduct in soliciting sales of worthless securities  
23 has been the subject of a "Cease and Desist" Order issued by the Washington  
24 State Department of Financial Institutions.  
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2           W H E R E F O R E, the Plaintiff requests judgment under §523  
3 determining that the debts of the Defendants Yoo to Plaintiff are non-  
4 dischargeable. Plaintiff further requests an award of interest, consequential  
5 damages, reasonable attorney's fees and expenses, costs and taxable  
6 disbursements incurred herein and such further relief as the Court deems just  
7 and equitable.  
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9           DATED this 18<sup>th</sup> day of April, 2016  
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11       /s/ William R. Spurr  
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19       ATTORNEY FOR PLAINTIFF  
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1 APPENDIX A: SUMMARY OF CLAIM AMOUNTS

2 (PROVISIONAL; SUBJECT TO AMENDMENT AND ADDITIONAL INTEREST RATE  
3 CALCULATIONS)

4 **PLAINTIFFS' WSSA DAMAGES**

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| DATE, FUND,<br>AND AMOUNT<br>OF<br>INVESTMENT | 8% APR<br>INTEREST<br>THROUGH<br>1/19/16                            | (TOTAL OF<br>WITHDRAWALS<br>AND INTEREST<br>RECEIVED) | <b><u>SUBTOTAL</u></b>     |
|---|---|---|----------------------------|
| 3/26/08<br>SS0P03<br>\$255,650.69             | 2,855 days @<br>\$56.03/day =<br>\$159,965.65                       | (\$152,718.65)  | \$262,897.69               |
| 11/20/09<br>SS0P03<br>\$25,000.00             | 1,016 days* @<br>\$5.48/day =<br>\$5,567.68<br><br>*through 8/31/12 | (\$25,000)  | \$5,567.68                 |
| 2/12/12<br>SS0P01<br>\$210,000.00             | 1,437 days @<br>\$46.03/day =<br>\$66,145.11                        | (\$113,000.00)  | \$163,145.11               |
| 6/26/15<br>RYDX201 (401K)<br>\$54,756.23      | 207 days @<br>\$12.00/day =<br>\$2,484.00                           | (\$0.00)  | \$57,240.23                |
| <b>TOTAL:</b>                                 |   |   | <b><u>\$488,850.71</u></b> |

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